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E.O. 12958: DECL: 02/13/2018  
TAGS: [PARM](#) [PREL](#) [ETTC](#) [KS](#) [IR](#)  
SUBJECT: (S) SHIELD S08F-05: ROK COMPANIES' SALE OF  
DUAL-USE EQUIPMENT TO IRAN

REF: A. 07 SECSTATE 132031  
[1](#)B. 07 SEOUL 1051

Classified By: POL M/C Joseph Y. Yun, Reasons 1.4 (b,c,d,h).

[1](#)1. (S) On December 10, Poloff delivered reftel A demarche and nonpaper to Kim Jae-woo, Deputy Director of the Disarmament and Nonproliferation Division of the Ministry of Foreign Affairs and Trade (MOFAT). On February 5, Kim conveyed the results of the ROKG investigation into the activities the South Korean Hanil Science Industrial Company in Iran. Kim reiterated that Hanil Science sold a centrifugal separator directly to the Darou Pakhsh Pharmaceutical Company in Iran as reported in reftel B. Kim said that Samamicro was NOT an intermediary in the sale; Kim noted that the ROKG is well aware of the concerns about Samamicro as an entity of proliferation concern for dual-use items. Stressing that no Australia-group controlled items were involved, Kim said that Hanil Science Industrial Company had nonetheless decided to terminate its trade with all Iranian entities for the foreseeable future due to the inconvenience they experienced from repeated ROKG investigations in recent months.

[1](#)2. (S) Regarding the intercepted shipment to Iran of a ROK company lab-scale freeze dryer referred to in reftel A nonpaper, Kim explained that MS Operon Company had shipped the freeze dryer by air using the exporting company Sara Tejarat Khorran in July 2007 in order to display it at a Tehran medical equipment exhibition. MS Operon intended to select a purchaser after the exhibition, at which point the ROKG would conduct an end-user investigation before approving the sale, he said. Kim confirmed that the Luxembourg authorities had returned the shipment to the ROK, believing that MS Operon intended to conceal the end-user by listing a transport firm (Sara Tejarat Khorran) and broker (Faraz Teb Tajhiz) as the importers on the airway bill. However, he said this was just a misunderstanding, since no end-user in Iran had yet been identified. Furthermore, Kim said the freeze dryer is not an Australia Group controlled item, noting that the Luxembourg authorities may have had a different evaluation of the item's divergence risk. Kim noted that the Luxembourg authorities did not consult with the ROKG when returning the shipment, questioning the suggestion in reftel A nonpaper that ROKG officials lodged objections. Kim said that MS Operon sent the freeze dryer to Iran again in August 2007 by sea. In response to reftel A demarche, Kim said the ROKG visited the exhibition hall on two occasions in December and January and confirmed that the freeze dryer was still on-site. Kim offered assurances that the ROKG would continue to monitor the case to prevent possible diversion of the dual-use item, including a careful end-use review once an end-user was determined.

VERSHBOW